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FISCAL IMPACT STATEMENT

LS 7684

BILL NUMBER: HB 1804

NOTE PREPARED: Jan 17, 2007

BILL AMENDED:

SUBJECT: Various Election Law Matters.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: *Voter Instructions-* The bill revises the instruction to voters who vote a straight party ticket and vote for candidates not on the straight party ticket.

Social Security and Election Workers- The bill requires the PERF Board of Trustees to take all action necessary to modify the state's agreement with the Social Security Administration to exclude the services of election workers paid less than the threshold amount mandated by the Social Security Act.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: *Social Security and Election Workers-* The Public Employees' Retirement Fund Board of Trustees (the Board) would require additional staff time to attain a modification of the state's Section 218 agreement (the agreement) with the Social Security Administration (SSA). The Board generally does not contract out for services, but has its own staff attorneys to work on modifications to the state's 218 agreement. The Board estimates that it costs about \$7,500 per year to administer the state's agreement.

Explanation of State Revenues:

Explanation of Local Expenditures: *Social Security and Election Workers-* This provision of the bill would save county auditor's staff time and expenditure to process paperwork for election worker compensation that exceeds the state's agreement threshold for election workers.

Background- Indiana's exemption threshold for election workers under the state's agreement is currently \$100

per calendar year. Election workers that work the polls for the primary and general elections in the same year often receive compensation that exceeds the \$100 threshold. Counties often have difficulty determining which election workers worked both elections and must spend staff time to get social security numbers and mailing addresses for W-2s. When a election worker's compensation exceeds the threshold they are considered county employees for FICA. The additional employees increase the number of W-2 filings that must be mailed by the county auditor. When election workers exceed the threshold, they are considered part-time county employees and become eligible for unemployment benefits.

Employers must match the Federal Insurance Contributions Act (FICA) contributions made by their employees, if they are not exempted under the agreement. Therefore, county auditors must adjust their payroll systems to pay the employer share of FICA for election workers exceeding the exemption threshold.

Employers must "match" the FICA contributions of full-time, part-time, or contract employee on employer payroll or 7.65% of the employee's earned wages. (Earned wages in excess of \$97,000 annually are not subject to the current Social Security Tax rate of 6.2%.) The remaining 1.45% Medicare Tax is paid regardless if the employee's salary exceeds \$97,000 annually.

Explanation of Local Revenues:

State Agencies Affected: PERF Board of Trustees.

Local Agencies Affected: County auditor.

Information Sources: State Budget Agency: FY 2006 General Fund Reversion Statement; Social Security Administration; Jackie Clemens, Clinton County Auditor, 765-438-6823; Andrea Unzicker, 233-4132.

Fiscal Analyst: Chris Baker, 317-232-9851.